

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-02327A
Antelope Run Water Company
2102 N. Forbes., Ste. 107
Tucson, AZ 85745

RECEIVED

MAR 11 2010

ARIZONA CORP COM
Utilities Division

ANNUAL REPORT
Water

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2009 |
|----|----|------|

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 09 |
|--------|----|

3-22-10 Lhm

COMPANY INFORMATION

| | | |
|----------------------------------------------------------------|---------------------------------------------|----------------------------------------|
| Company Name (Business Name) Antelope Run Water Company | | |
| Mailing Address 2102 N. Forbes, #107 (Street) | | |
| Tucson (City) | AZ (State) | 85745 (Zip) |
| 520-623-5172 Telephone Number (Include Area Code) | 520-792-0377 Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address | | |
| Local Office Mailing Address Same as above (Street) | | |
| (City) | (State) | (Zip) |
| Local Office Telephone Number (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address | | |

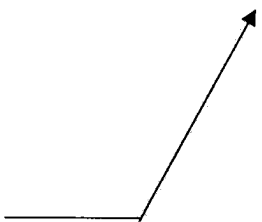
MANAGEMENT INFORMATION

| | | | |
|------------------------------------------------------------------|-----------------------------|------------------------------------|-------|
| Management Contact: Southwestern Utility Management, Inc. | | | |
| (Name) | | (Title) | |
| 2102 N. Forbes, #107 | Tucson | AZ | 85745 |
| (Street) | (City) | (State) | (Zip) |
| 520-623-5172 | 520-792-0377 | | |
| Telephone Number (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address | | | |
| On Site Manager: Gary Newman | | | |
| (Name) | | | |
| 2102 N. Forbes, #107 | Tucson | AZ | 85745 |
| (Street) | (City) | (State) | (Zip) |
| 520-623-5172 | 520-792-0377 | | |
| Telephone Number (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |
| Email Address | | | |

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D (OC less AD) |
|----------------------|----------------------------------------|-----------------------------------|----------------------------------------------|---------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 350 | --- | 350 |
| 304 | Structures and Improvements | 2014 | 1964 | 50 |
| 307 | Wells and Springs | 29915 | 16054 | 13861 |
| 311 | Pumping Equipment | 79953 | 25577 | 54376 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 3167 | 2502 | 665 |
| 331 | Transmission and Distribution Mains | 124556 | 100357 | 24199 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 5700 | 3810 | 1890 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 245655 | 150264 | 95391 |


This amount goes on the Balance Sheet Acct. No. 108



See Accountants' Report.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2)* |
|-----------|----------------------------------------|-------------------|-----------------------------|-----------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 350 | | --- |
| 304 | Structures and Improvements | 2014 | 5% | 33 |
| 307 | Wells and Springs | 29915 | 4% & 5% | 851 |
| 311 | Pumping Equipment | 79953 | Various | 4252 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 3167 | | --- |
| 331 | Transmission and Distribution Mains | 124556 | Various | 4530 |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 5700 | Various | 137 |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 245655 | | 9803 |

This amount goes on Comparative statement of Income and Expense Acct. No. 403. 

BALANCE SHEET

| Acct. No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---------------------------------------------|------------------------------------|------------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 3683 | \$ 949 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 92 | 2294 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 3775 | \$ 3243 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 242008 | \$ 245655 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | 2854 |
| 108 | Accumulated Depreciation – Utility Plant | (140461) | (150264) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 101547 | \$ 98245 |
| | TOTAL ASSETS | \$ 105322 | \$ 101488 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | LIABILITIES | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---------------------------------------------------|------------------------------------|------------------------------|
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ 38442 | \$ 29054 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | 15114 | 35114 |
| 235 | Customer Deposits | 5740 | 5139 |
| 236 | Accrued Taxes | 416 | 307 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ 59712 | \$ 69614 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ --- | \$ --- |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ | \$ |
| 252 | Advances in Aid of Construction | 41660 | 41660 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ 41660 | \$ 41660 |
| | TOTAL LIABILITIES | \$ 101372 | \$ 111274 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ | \$ |
| 211 | Paid in Capital in Excess of Par Value* | | |
| 215 | Retained Earnings | | |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 3950 | (9786) |
| | TOTAL CAPITAL | \$ 3950 | \$ (9786) |
| | TOTAL LIABILITIES AND CAPITAL | \$ 105322 | \$ 101488 |

| | |
|----------------------------|---------------|
| Proprietary Capital 1/1/09 | 3950 |
| Loss for 2009 | (17348) |
| Prior Period Adjustment | <u>3612</u> |
| Proprietary Capital | <u>(9786)</u> |

See Accountants' Report.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|----------------------|-------------------------------------------|-------------------|---------------------|
| 461 | Metered Water Revenue | \$ 48329 | \$ 50348 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenue | 151 | 270 |
| | TOTAL REVENUES | \$ 48480 | \$ 50618 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 5400 | \$ --- |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 15296 | 17695 |
| 618 | Chemicals | --- | 166 |
| 620 | Repairs and Maintenance | 12747 | 2788 |
| 621 | Office Supplies and Expense | 12332 | 2435 |
| 630 | Outside Services | 2847 | 22928 |
| 635 | Water Testing | 1485 | 1899 |
| 641 | Rents | 900 | --- |
| 650 | Transportation Expense | 1572 | 5909 |
| 657 | Insurance – General Liability | | |
| 659 | Insurance – Health and Life | | |
| 666 | Regulatory Commission Expense – Rate Case | --- | 1794 |
| 675 | Miscellaneous Expense | 374 | --- |
| 403 | Depreciation Expense | 10873 | 9803 |
| 408 | Taxes Other Than Income | 457 | 58 |
| 408.11 | Property Taxes | 1167 | 2563 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 65450 | \$ 68038 |
| | | | |
| | OPERATING INCOME/(LOSS) | \$ (16970) | \$ (17420) |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | 9 | 77 |
| 426 | Miscellaneous Non-Utility Income | | |
| 427 | Interest Expense | | (5) |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 9 | \$ 72 |
| | | | |
| | NET INCOME/(LOSS) | \$ (16961) | \$ (17348) |

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

| | |
|----------------------------------------|--------------------|
| Meter Deposit Balance at Test Year End | <u>\$ 4,775.05</u> |
|----------------------------------------|--------------------|

| | |
|----------------------------------------------|--------------------|
| Meter Deposits Refunded During the Test Year | <u>\$ 1,235.00</u> |
|----------------------------------------------|--------------------|

COMPANY NAME Antelope Run Water Company

Name of System:

ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|----------------------------|----------------------------|-----------------------------|------------------------------------|-----------------------------------------|--------------------------------|-------------------------|
| 55-632904 | 20 | 180 | 140 | 10 | 3 | 1979 |
| 55-632905 | N/A | N/A | | | N/A | |
| 55-632906 | N/A | N/A | | | N/A | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|---------------------------|---------------------------------------------------------|
| N/A | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 5 | 2 | | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 17000 | 1 | 6000 | 1 |
| | | 1000 | 1 |
| | | | |
| | | | |
| | | | |
| | | | |

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

COMPANY NAME: Antelope Run Water Company

Name of System:

ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|------------|------------------|
| 2 | <u>PVC</u> | <u>1000</u> |
| 3 | | |
| 4 | <u>PVC</u> | <u>13500</u> |
| 5 | | |
| 6 | <u>PVC</u> | <u>15500</u> |
| 8 | <u>PVC</u> | <u>100</u> |
| 10 | | |
| 12 | | |
| | | |
| 6 | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|------------|
| <u>5/8 X 3/4</u> | <u>163</u> |
| <u>3/4</u> | |
| <u>1</u> | <u>4</u> |
| <u>1 1/2</u> | |
| <u>2</u> | <u>1</u> |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Turbo 4 | |
| Comp. 6 | |
| Turbo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

| | |
|--------------------------------------------------------|-----------------------------------------|
| COMPANY NAME: <u>Antelope Run Water Company</u> | |
| Name of System: | ADEQ Public Water System Number: |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY | 164 | 1402 | 1307 | 0 |
| FEBRUARY | 164 | 1408 | 995 | 0 |
| MARCH | 164 | 1642 | 1450 | 0 |
| APRIL | 164 | 2226 | 2868 | 0 |
| MAY | 164 | 2174 | 2868 | 0 |
| JUNE | 167 | 3103 | 3085 | 0 |
| JULY | 168 | 2644 | 2644 | 0 |
| AUGUST | 168 | 1743 | 2617 | 0 |
| SEPTEMBER | 168 | 2712 | 2140 | 0 |
| OCTOBER | 168 | 1428 | 1260 | 0 |
| NOVEMBER | 168 | 1593 | 1809 | 0 |
| DECEMBER | 168 | 944 | 1126 | 0 |
| TOTALS → | | 23019 | 24169 | 0 |

What is the level of arsenic for each well on your system? <0.001 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ () Yes ☒ (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system. See Accountant's Compilation Report

| | |
|--------------------------------------------------------|-----------------------------------------------|
| COMPANY NAME: <u>Antelope Run Water Company</u> | |
| Name of System: | ADEQ Public Water System Number:02-094 |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|-----------------|-------------------------------------------|----------------------------------------|----------|
| JANUARY | 0 | 0 | 0 |
| FEBRUARY | 0 | 4 | 0 |
| MARCH | 0 | 0 | 0 |
| APRIL | 0 | 0 | 0 |
| MAY | 0 | 0 | 0 |
| JUNE | 0 | 0 | 0 |
| JULY | 0 | 0 | 0 |
| AUGUST | 0 | 0 | 0 |
| SEPTEMBER | 0 | 6 | 0 |
| OCTOBER | 0 | 1 | 0 |
| NOVEMBER | 0 | 0 | 0 |
| DECEMBER | 0 | 2 | 0 |
| TOTALS → | 0 | 13 | 0 |

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2009 was \$ 2563.05

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

MAR 14 2010

AZ CORP COMM
Director Utilities

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

| | |
|---------------------------------------------|------------------|
| (COUNTY OF (COUNTY NAME)) Pima | |
| NAME (OWNER OR OFFICIAL) Bonnie O'Connor | TITLE Manager |
| COMPANY NAME Antelope Run Water Company | |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION
COMMISSION**

FOR THE YEAR ENDING


| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2009 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE
CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT
AND PAID IN FULL.**



SIGNATURE OF OWNER OR OFFICIAL

520 458-4388

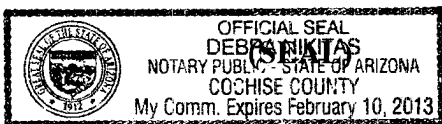
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th **DAY OF** ~~August~~ **2010**

| |
|------------------------|
| COUNTY NAME COCHISE |
| MONTH march |
| 2010 |



MY COMMISSION EXPIRES 2/10/2013



SIGNATURE OF NOTARY PUBLIC

For this reporting period, please provide the following:

| | |
|-----------------------------------------|------|
| State Taxable Income Reported | Loss |
| Estimated or Actual State Tax Liability | --- |

Amount of Contributions/Advances _____
 Amount of Gross-Up Tax Collected _____
 Total Grossed-Up Contributions/Advances _____

CERTIFICATION


SIGNATURE

3/15/10
DATE

Bonnie O'Connor
PRINTED NAME

Manager
TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

MAR 2 2010

ARIZONA CORP. COMM
Director Utilities

VERIFICATION
STATE OF

Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

Pima

NAME (OWNER OR OFFICIAL) TITLE

Bonnie O'Connor, Manager

COMPANY NAME

Antelope Run Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 53509.00

(THE AMOUNT IN THE BOX ABOVE
INCLUDES \$ 3,161.30
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME

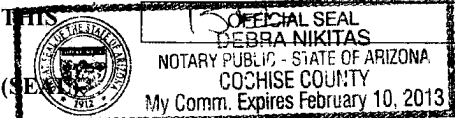
Cochise

MONTH

March

2010

DAY OF



MY COMMISSION EXPIRES

2/10/2013

See Accountants' Report.

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAY 11 2010

ARIZONA CORP COMM
Director Utilities

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

| | |
|---------------------------------------------|------------------|
| (COUNTY NAME) Pima | |
| NAME (OWNER OR OFFICIAL) Bonnie O'Connor | TITLE Manager |
| COMPANY NAME Antelope Run Water Company | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------------|-----------|--------------|
| MONTH 12 | DAY 31 | YEAR 2009 |
|-------------|-----------|--------------|

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

| |
|----------------------------------------------------------------|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 52446.58 |
|----------------------------------------------------------------|

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3130.75
IN SALES TAXES BILLED, OR COLLECTED)

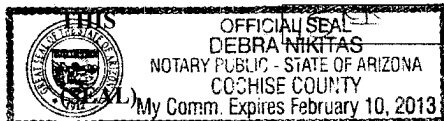
***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

DAY OF



MY COMMISSION EXPIRES

2/10/2013

| | |
|-------------------------------------|------|
| NOTARY PUBLIC NAME Debra Nikitas | |
| COUNTY NAME Cochise | |
| MONTH March | 2010 |

SIGNATURE OF NOTARY PUBLIC

ACREAGE:

.23

JURISDICTION

2008
TAXES

2009
TAXES

0121831

SITUS ADDRESS:
NULL

LEGAL DESCRIPTION:
TOTAL VALUE OF OPERATING PROPERTY
105-18-013 9,000 108-20-
016 9,000

| | | | |
|-------|----------------------|--------|--------|
| 02000 | COCHISE COUNTY | 553.92 | 563.92 |
| 02001 | STATE SCHOOL TAX EQU | 0.00 | 70.55 |
| 05068 | SIERRA VISTA SD #68 | 589.88 | 598.31 |
| 06104 | SIERRA VISTA UHS | 387.91 | 304.70 |
| 08150 | COCHISE COUNTY JUNIO | 343.70 | 343.04 |
| 11202 | FRY FD | 552.07 | 568.24 |
| 11900 | FIRE DISTRICT ASSIST | 16.73 | 18.63 |
| 14900 | COCHISE COUNTY LIBRA | 30.04 | 30.97 |
| 15000 | COCHISE COUNTY FCD # | 10.75 | 10.28 |

This is the only notice you will receive.

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

**THIS IS A
CALENDAR YEAR
TAX NOTICE**

TOTALS 2,485.00 2,508.64

901-26-870 6



0031248 01 AV 0335 **AUTO T3 0 0786 85635-381101

PAGE 0001 OF 0001 00037223



ANTELOPE RUN WATER CO.
NATHAN WATKINS/MANAGER
301 N GARDEN AVENUE
SIERRA VISTA AZ 85635-3811

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notice of \$100 or less, send the 1st half coupon with your payment postmarked no later than 12/31/08. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than 12/31/09. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than 12/31/08 and no interest will be charged for current year.

Make your check payable to and mail to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Handwritten signature/initials

YOUR CHECK BY A CHANGE FOR EACH RECEIVED CHECK.
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PARCEL NUMBER

0000000000

One Thousand Two Hundred Fifty-Four and 32/100

DOLLARS

Marsha Bonham Cochise County Treasurer
Po Box 1778
Bisbee AZ 85603-2778



AUTHORIZED SIGNATURE

Prop Tax 09 1st 901-26-870 6

⑈005142⑈ ⑆122105278⑆1226386942⑈

ANTELOPE RUN WATER CO.

5142

| Date | Type | Reference | Original Amt. | Balance Due | Discount | Payment |
|----------|------|-----------------|---------------|--------------|----------|----------|
| 9/1/2009 | Bill | Prop Tax 09 1st | 1,254.32 | 1,254.32 | | 1,254.32 |
| | | | | Check Amount | | 1,254.32 |

Wells Fargo Bank Prop Tax 09 1st 901-26-870 6

1,254.32

COCHISE COUNTY TREASURER
Receipt of Taxes Paid

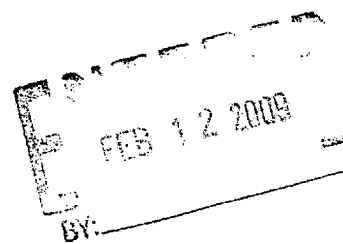
Date: 6 Feb 2009 Time: 11:15:33

Page: 1
Cashier: KWI

| Tax Year | Parcel | Portion | Roll # | Tax Paid | Interest Paid | Penalty Paid | Paid |
|-------------|-------------|---------|----------|-------------|------------------|-----------------|----------|
| 2008 | 90126870006 | 1 | 01-21218 | 1,176.27 | 66.23 | | 1,242.50 |

Payment type: Check: 1,242.50 Ck#: 5036 Payment Received: 1,242.50
Base tax due: 66.23
Additional interest and penalties may apply.

Notes:



Received from:

ANTELOPE RUN WATER CO
PO BOX 85160
TUCSON AZ 85754

ANTELOPE RUN WATER CO

P.O. BOX 85160
TUCSON, AZ 85754
(520) 623-5172

Wells Fargo Bank, N.A.
Tucson, AZ 85745

915271221

2/4/2009

5036

Marsha Bonham Cochise County Treasurer

\$ 1,242.50

One Thousand Two Hundred Forty Two and 50/100

DOLLARS

Marsha Bonham Cochise County Treasurer

[Signature]

AUTHORIZED SIGNATURE

Beginning AP: Marsha Bonham

005036 122105278 122638694 20

ANTELOPE RUN WATER CO

5036

Marsha Bonham Cochise County Treasurer

2/4/2009

| Date | Type | Reference | Original Amt | Balance Due | Discount | Payment |
|-----------|------|-----------|--------------|--------------|----------|----------|
| 9/30/2008 | Bill | 10 | 1,242.50 | | | 1,242.50 |
| | | | | Check Amount | | 1,242.50 |

131100 Wells Fargo Beginning AP: Marsha Bonham

1,242.50

108 FIRST HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Payment in U.S. FUNDS ONLY

Due October 1, 2008
ANTELOPE RUN WATER CO

Parcel Number: 901-26-870 6 Roll Number: 0121218

1

Frequency Date First Half Payment
Penalty for late payment is 16% per year prorated
thru as of the 1st day of the month for payments
marked after 5:00 P.M. November 3, 2008
(ARS 42-18052 and ARS 42-18053).

Total property tax notice of \$100 or less must
be paid in full using the first payment coupon, no
later than November 3, 2008 at 5:00 P.M.

For one full year payment for billed amounts over
\$100 by Dec. 31, 2008 and no interest will be
charged for current year. Mail full year payment with
this coupon.

If your mortgage company makes your property
tax payments consider this notice as a courtesy
copy for your records only.

| | | |
|----------------------|-----|----------|
| TO PAY 1ST HALF ONLY | PAY | 1,242.50 |
| TO PAY FULL YEAR TAX | PAY | 2,485.00 |



029012687000600000124250



Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

2008 9012687006 1 0000002485000000124250

ARIZONA

0121218

SITUS ADDRESS:
MAIL:

LEGAL DESCRIPTION:**TOTAL VALUE OF OPERATING PROPERTY**

105-18-013 9,000 105-20

016 9,000

This is the only notice you will receive

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

**THIS IS A
CALENDAR YEAR
TAX NOTICE**

JURISDICTION

2007 TAXES

2003
TAXES

```
02000 COCHISE COUNTY
05068 SIERRA VISTA SD #68
06104 SIERRA VISTA UHS
08150 COCHISE COUNTY JUNIO
11202 FRY FD
11900 FIRE DISTRICT ASSIST
14900 COCHISE COUNTY LIBRA
15000 COCHISE COUNTY FCD #
```

| | |
|--------|--------|
| 598.27 | 553.92 |
| 894.44 | 589.88 |
| 479.12 | 387.91 |
| 363.94 | 343.70 |
| 587.58 | 552.07 |
| 18.11 | 16.73 |
| 30.30 | 30.04 |
| 11.22 | 10.75 |

| | | |
|---------------|-----------------|-----------------|
| TOTALS | 2,982.98 | 2,485.00 |
|---------------|-----------------|-----------------|

901-26-870 6



0001704 01 AV 0324 **AUTO T6 0 0706 85635-381101

PAGE 0001 OF 0001 00038290

**ANTELOPE RUN WATER CO
NATHAN WATKINS/MANAGER
301 N GARDEN AVENUE
SIERRA VISTA AZ 85635-3811**

PAYMENT INSTRUCTIONS

PAYMENT INSTRUCTIONS
To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov. 3, 2008. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2009. To pay taxes for the full year if the entire amount billed per notice exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2008 and a full payment will be charged for current year.

Make your check payable to and mail to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

2015515 474000

HOLM, HESTAND & VALENZUELA, CPAS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
3131 NORTH COUNTRY CLUB ROAD, SUITE 109
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Antelope Run Water Company as of December 31, 2009 and 2008, and the related comparative statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hestand - Valenzuela CPAs P.C.

March 10, 2010